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# The Outlook for the North

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*An Address*

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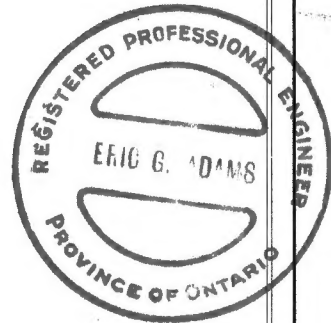
DELIVERED BY

SIR EDWARD BEATTY, G.B.E., K.C., LL.D.

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*to the*

EDMONTON CHAMBER OF COMMERCE  
AND THE EDMONTON KIWANIS CLUB  
EDMONTON, ALTA., September 12, 1938



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# The Outlook for the North

*An Address delivered by*  
SIR EDWARD BEATTY, G.B.E., K.C. LL.D.  
*to the*  
EDMONTON CHAMBER OF COMMERCE  
AND THE EDMONTON KIWANIS CLUB  
EDMONTON, ALTA., September 12, 1938

I AM honoured by this invitation to address the Chamber of Commerce of the City of Edmonton. Your community is the seat of government of a great Province; the home of a famous university, and, in itself, a busy and progressive centre of commerce. You share the advantages of other fine cities in Western Canada, and have certain special opportunities conferred upon you by decisions of the public authorities to make this the home of public institutions. You have, however, a special quality of location which you share with no other community.

The Dominion of Canada is one of the largest countries in the world. Almost three-quarters of its area, however, is occupied by the great Laurentian Shield, and, while we are, year by year, finding less reason to deplore this fact, and are more and more coming to realize that here we have a great storehouse of wealth, whose productive possibilities are as yet but little explored, it is a fact that this great stretch of country must take a course of development quite different to that of lands of fertile soil.

We call it the Laurentian Shield because of its shape, and, while we are not able to draw a precise line to indicate the merging of its boundaries into other types of country, we do know that between its Western limits and the great barrier of the Rocky Mountains, the Northern portion of the Province of Alberta occupies a great area, as different in formation from the great Shield as it is from the Prairies on whose Northern edge this city lies.

It is not without interest to remember that the early explorers of Western Canada concerned themselves far more with the

Northern portion of this sub-continent than they did with the South. Partly this was due to the fact that Europeans penetrated Western Canada first of all in the fur trade. Partly it was due to the fact that the Saskatchewan River offered—in summer at least—the earliest main transportation route to the West. Whatever the reason, so fixed was the interest of the explorers of the West in this portion of the country that, when it became necessary to choose a route for the Transcontinental Railway which was to make Canada into a nation, it was almost automatically assumed that it would follow the general route from Winnipeg to Edmonton.

Fortune willed it otherwise. The imminent danger that the West of Canada might become an economic annex of the United States altered the decision, and caused the original main line to be built much to the South of Edmonton. There is no room either for apology or regret. The new route opened to settlement the fertile plains which have since produced billions of dollars worth of grain. The South grew rapidly. Cities grew up across it, and settlers came from all the world to make their homes there.

There was never any thought that the North would be neglected. The most important connection of the Canadian Pacific in Western Canada was that linking this community with the main line at Calgary.

Moreover, from the first the Company planned that, as soon as conditions would permit it to duplicate its main line, this would be by a line from Winnipeg to Edmonton.

In what has since been proved beyond question to have been unnecessary haste, this task was committed to others before we had accomplished it, and there are those today who fail to realize that it was not in the South country of Western Canada alone that the Canadian Pacific was first in the field. I believe in all sincerity that the growth of Western Canada would have been just as rapid had we not undertaken all the transportation adventures which we did, and certainly the burdens on the public Treasury would have been far less than they now are.

However this may be, Edmonton achieved its obvious destiny, and became an important centre in that great network of railways which covers what we now think of as the old West.

I use that phrase because, even in the few years in which the settlement of Western Canada has been going on, we have learned that the frontier which we pushed across the Prairies is not the last frontier. There is still the North.

Edmonton is the inevitable gateway to that great, rich and growing country which stretches from here to the actual shores of the Arctic Ocean.

The old West has met with many troubles in recent years. It is easy to be wise after the event, and to say that the West could have done things otherwise. It is easy to point to what has been so well described as "mistaken enthusiasm," and to criticize those who, in their haste to build a nation, built too rapidly, and sometimes unwisely. In an effort to assist the Government of this country to deal with the present problems which have arisen from its more or less accidental ownership of a large mileage of railways, I have—unwillingly I assure you—found myself cast for the part of the chief critic of unwise expansion in the past. I say unwillingly, for I know of no task for which my own temperament would fit me less. There is no defeatism in my attitude to the future of Canada and especially of Western Canada.

I often hear the remark made that this or that man has or lacks "faith in Canada." I prefer to suggest that the question is not one of faith in Canada, but of faith in Canadians. To anyone who has seen the West face its problems, and who has any real conception of what those problems have been these past few years, faith in Canadians should come very readily. That there have been those who have despaired of Western Canada cannot be denied, nor yet is it surprising. Poor crops are bad enough; when you multiply their volume by low prices, the situation becomes serious indeed.

Yet, in all these years, the people of Western Canada have never weakened. Drawn from almost every country in the world, we have assembled in this West a society of men and women who have developed a uniformity of optimism and courage that is amazing. That, from their very courage, they may underestimate the deep-rooted character of their troubles, and imagine that cure is more easy than is the case should not surprise us. The desire to do something; the unwillingness to accept misfortune with

resignation; the temptation to imagine that our troubles result from this or that easily altered detail of the social and economic machinery of our time—these are not, in Western Canada at any rate, the refuge of beaten people. They are evidences of a profound determination not to be beaten. Back of every instance of this sort lies the deep belief that Western Canada is a good country, and that it is not beyond human ability to find the means to make it a happy and prosperous one.

It is only a couple of years ago that we were told that the staple product of Western Canada was now being produced in such super-abundance throughout the world that we might as well abandon its cultivation, and leave other countries to furnish mankind with bread. The West refused to believe that doctrine. Sometimes it applauded those who preached it, but, throughout the hard years, the West continued to sow wheat and to harvest it. Year after year the yield was small, and, year after year, the price was disappointing. Yet, when you realize that through these nine years of hardship the farmers of Western Canada have been driven back scarcely a step; that the acreage sown this year was but a little below that of our days of bright optimism, it is possible to appreciate the determination of the people of this country.

Fortunately, the worst forecasts have proved misleading. In place of super-abundance of wheat, the world has come close to shortage. Actual shortage has only been averted by desperate endeavours of many nations to increase their production where it was economically unwise, and equally desperate attempts to substitute the use of other foodstuffs for that of wheat.

These things pass. The unwise economic nationalism of the day still lasts, but there are unmistakable signs that common sense will prevail, and that the world will return to trade between nations. The fear of war which has produced some of the most unwise policies of the day is still acute, but there is no reason for doubting that this situation will improve, and I, for one, feel hopeful for the peace of the world.

With peace assured and international commerce growing again, the future of Western Canada is safe.

Here at Edmonton, however, the old West ends, and the North begins. That is another country. Its resources are different. Its climate is different. The outlook of the people is different. It is not my intention to tell you, many of whom know the facts better than I do, what the resources of the North are like. We know that it contains great stretches of rich arable land, in a climate well adapted for agriculture. We know that the mineral wealth is enormous, and has scarcely been touched. We know that if any country in the world seems to offer opportunities for development, it is Northern Alberta, and the North even beyond that.

I think we will all agree on what the North needs. It needs enterprise, capital, labour and transportation. There was a time when any such storehouse of wealth as that would have attracted youth from all the world—ready to undertake great adventures, and content to fail or to succeed. Unfortunately, in these days our youth are too often taught not to take a chance. They are led to believe that, by some ingenious device, the state will provide for them, and even ensure them some predetermined standard of living. They are informed that the desire to make profit is the root of all evil—although nothing of any importance in taming nature for the service of man was ever accomplished except by those who sought profit. The cities of this country are full of young men who should provide the enterprise which the North needs.

As with enterprise so with capital. This country is full of idle money—partly because of that general feeling of unrest and vague alarm which frightens capital into hiding; partly because of more definite fears of unjust treatment of those who venture to use capital for profit.

Something has gone wrong with our logic. Capital is merely the stored labour of the past. I have no quarrel with those who would like to see its distribution improved. For my own part, I doubt our ability to make any permanent plans in this direction. I take issue very definitely, however, with those who argue that the possession of capital, and its use, are immoral. I can never bring myself to believe that, for example, the man who uses his savings to build a house for himself is more virtuous, more worthy

of protection by the state, than the man who commits his savings to those insurance companies, banks and other fiduciary institutions which actually own the obligations of public authorities, and provide the capital for great undertakings.

I should like to stress that fact. Sometimes I hear the careless remark that repudiation is the road out of debt. I do not think that those who say this realize that the debts which they would repudiate are, in the last analysis, merely the stored labour of the past—the savings of the industrious.

Of labour I scarcely need speak. This country is full of idle men seeking employment. True, many of them are city-bred, and do not turn readily to the life of pioneer communities. Yet, among the idle of this nation are many thousands of young men ready to turn their hand to any task, and chafing against their inability to find employment which would bring with it opportunity.

It is my belief that when we emerge, as we are rapidly doing, from that period of doubt and hesitation which always succeeds a great economic crisis, enterprise and capital and labour will enter the North to develop, even more rapidly than has been the case, the great resources of that new Empire to which Edmonton is the gateway.

The development of that country will depend, to no small extent, on transportation. It has not been neglected—indeed, as you all know—the Government of this Province and the two great railway systems, have, from time to time, taken great risks in an effort to provide the North with railway service. It has not, as yet, proved a profitable venture, but I, for one, have never lost faith, and I am convinced that, as development proceeds in the North, it will prove possible to increase and improve the railway transportation services of that area.

Beyond the point at which railway transportation seems impracticable in any reasonable future, the North is not without transportation. The great river which flows to the Arctic provides a natural route for much of the year. To that has been added the newest form of transportation, and, in these days when we see, throughout the world, every effort being made to encourage transportation by air, it should be impressive to remember that



nowhere has the use of this newest method of travel and transportation been developed more soundly than in the North country.

We are still in the romantic stage of this development. We are still familiar with the almost daily tales of adventure by air in the North. Steadily, however, air transportation in the North is becoming an enterprise of a more sober sort—the everyday means of communication over an area where other forms of transport are not readily available.

I should like, at this point, to remind you that, throughout the world, air transport still faces grave economic problems. I do not know how much of the present air transportation of the world could be carried on as a purely commercial undertaking, and without great expenditures by public authorities. I do know that, in Northern Canada, the tendency has been quite in the other direction, and that, very largely, the development of air transport in the North has been at the risk of private capital, without, perhaps, even fair treatment by the state. Into that vexed question I do not propose to go in detail here. All that I propose to do is to remind you that the development of air transport in the North is still in its infancy.

Those areas of the North which are particularly adapted for agriculture, and the close settlement which this permits, can never depend, however, on air transport. Their development to its fullest extent will be linked with the provision of adequate railway services.

All of Western Canada lies under a burden of disadvantage in the long distances which its products must travel to their market. The development of the West has been only possible because of the success of the railways in providing a means of meeting this geographical disadvantage. The farmers of Western Canada send their product to the markets of the world at less cost for transportation than do their competitors in areas far more accessible to cheap water transport. There is no more important economic achievement than the provision to this great inland area of transportation facilities which enable its bulkiest products to be placed in markets abroad with no disadvantage from transportation costs.

You will realize that the added distance from its markets of the North presents a special problem. It is far from being a

hopeless one. Even today the North is provided with cheap rail transportation, and, as settlement continues and the volume of production increases, the geographical disadvantages will be steadily lessened.

It would be improper and unfair for me to attempt to offer any promises on this point. You all know that the provision of adequate transportation for the North is a subject to which I have given the closest personal attention, and one in which I am deeply interested. What can be done in this respect will be limited by the possibilities of the case—not by any lack of understanding of the problems of the North, or any lack of willingness to aid in their solution.

It is my hope that, in the not distant future, we may decide to use more intelligence than we have in the past in this matter of transportation, and to adopt a genuine national policy in this respect. There is, in this country, a rapidly increasing general interest in this vital question. We have adopted unsound policies. We have provided surplus facilities of transportation in many parts of the country. We have followed what I believe to be unsound policies, not only in connection with the railways, but in dealing with our waterways and highways. It is not my intention to go into this question in detail today. I should like to remind you merely that the geographic conditions of this country make its provision with adequate transportation services a task of great difficulty. It will always be a problem to give Canada the transportation which it needs. In no country should we be more sparing in the use of the money available for this purpose. In no country should we be more cautious to see that nothing is wasted, and that our transportation equipment is provided on the soundest economic basis.

To no part of Canada should this question appeal more powerfully than to Edmonton. The complete development of the North will always depend on the transportation services which we can provide. Waste of public money on unnecessary transportation facilities in other parts of Canada can only tend to limit the power of the state and of private capital to provide the North with the facilities which it needs.

It is my deep regret that the discussion of this vital part of our national economy is carried on today in a fashion which tends to delay the complete solution of our problems. Appeals to prejudice, even more violent appeals to fear and self-interest, are substituted for temperate and logical argument. I, for example, for venturing to suggest that it is a good thing to consider how to avoid waste, am charged with the intention of subjecting the country to a heartless monopoly, and depriving its citizens of adequate transportation facilities. In all honesty, I believe that even those who use this language do not believe it, and I am quite certain that, in the end, common sense will prevail, and we shall have a national policy adopted in transportation matters which will be for the general good.

On one point I think I shall find a sympathetic hearing here. Unemployment and distress in recent years have led to too complete a cessation of our efforts to attract desirable settlers to Canada. Despite many erroneous statements on the point, I am not an advocate of unlimited immigration. I do not exaggerate in the least the possibilities in this direction. I know that the ability of this country to absorb settlers is limited, and that, in conditions as they are, we must be prepared to use great care in selecting those who should be admitted to the country, and in setting them at work to make homes for themselves.

With every caution, however, I can still assert, without fear of contradiction, that one of the most urgent problems before this country is to stimulate the occupation and development of the remaining agricultural lands not yet occupied. An increase in our rural population is a first principle of Canadian policy. The difficulties are serious. That does not make the task any less urgent.

We have equipped this country with too much in the way of railways, factories, of cities, for the population which we have. By all means let us use those now here to settle our remaining lands and reoccupy our abandoned farms. To that, I honestly believe, we must add an increased effort to attract to Canada those settlers who, by type, by experience, and by possession of a reasonable amount of capital, are equipped to add to the total of our national production.

It is not my intention to take your time with technical discussion of a great economic problem, but I should like to register the unmistakable conviction that those who allege that the problem of the world is to find mouths to eat food are entirely wrong. The problem is to find the food for those who need it.

If there is one industry in whose continuing expansion I have most complete and unbounded faith, it is the agriculture of Western Canada. I think that here in Edmonton I should find support for every intelligent item of a programme of increased land settlement.

The problems of this country should meet with more realistic consideration here in Edmonton than anywhere in the Dominion. At this point we stand on the edge of the North; at the outer limit of the great area which I have called the Old West. The future of the North is still in the making. You know how successful has already been the attempt to settle that country, and to develop its hidden wealth. We are far from having finished the task. Our ability to carry it to its logical completion will depend very largely on the soundness of our public policies. If we are to continue along that road of undue increase in public expenditures which we have followed with only too much success in past years; if we are to add to the resulting tax burden—then we are placing serious obstacles in the way of development.

In this country, with the distances over which we must carry on our internal and external commerce, we are already faced with grave problems established by nature. It is nothing less than national folly on the widest scale to add to those man-made problems which do not need to exist. I know of nothing which tends more to inhibit enterprise and to prevent development than does a system of public finance which involves oppressive tax burdens.

The problems which face this country, or any other country, in stimulating economic development, come from many quarters. I know that those who use capital have been sometimes unwise, and sometimes greedy. I know that unwisdom and greed of capital impose an undue burden on the development of the nation. May I remind you, however, that capital prudently used, for reasonable profit, is a powerful tool for national development?

As I have said, the desire to make profit has led to the taming of nature. Capital, in short, whatever its mistakes or its faults, is necessary to development, and a useful servant of the public interest.

On the other hand, there are those who tell me that labour has been too eager for high wages. My own instinct is to doubt this in most cases. That there are examples of labour demanding more than conditions of the time will permit employers to pay, no one can deny. Yet, the ambition of labour for higher rewards is as potent an influence to national development as is the desire of capital for profit. I have often reminded the workers of this country that it is impossible for them to receive wages out of reasonable proportion to the incomes of our farmers and other primary producers. Provided wages stay within these economic limits, I know of no one who doubts the desirability of good pay for good work.

Nor am I averse to the fullest development of governmental services for the public good, or the provision of adequate revenue for their support. I do not like taxes—no one does. I know that they are necessary—for some purposes. My objection to taxation as it is practised in Canada today is that too often it represents a charge on the future for the mistakes of the past. Too often it represents the results of unproductive investment of public funds.

Too few of us seem to remember that waste of money by public authorities is very different in its results from waste by private enterprise. Despite the fulminations of those who would try to make you believe that private enterprise knows no other rule than greed, your own experience must have taught you that private enterprise usually seeks its profit by increasing the volume of its sales of goods and services, and that this is a highly competitive world. The mistakes of private enterprise wipe themselves out in losses of the capital invested in them.

The case of the mistakes made in the expenditure of public funds is quite different. Governments and public authorities cannot repudiate their obligations, or scale them down, and still retain any semblance of public credit. It is not a question of whether they should or should not. It is merely the fact that they cannot do so successfully. When a government expends

money unwisely, and creates a public debt, that remains a perpetual charge on the production and industry of the people at large. There is no escape.

It is for this reason, and for this reason alone, that I press at all times for the adoption of public policies which will reduce taxation. Wherever inefficiency or duplication adds to the cost of public services, it is always in the public interest to urge economy.

We hear a great deal of the problems which face the pioneer. The chief of them all is his inability to obtain for his product the price which will enable him to buy his needs, and reasonable luxuries. I think that if the people of this country realized to what extent the spread between what the producer sells and the consumer buys results from taxation, we should have a powerful movement for economy in public affairs.

I have not the least hesitation in saying that nothing is more important than this in influencing the development of the great North.

This City is, in every sense, the gateway of the North. Through it there flow and will flow the streams of commerce to and from the North. There would be a city here in any case. There was a city when the North was still a no man's land. On the development of the North, however, are founded the real hopes of Edmonton. It is very much your heritage. On the courage and wisdom with which its natural wealth is exploited will depend, to no small extent, the future of this community.



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